

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Infrastructure & Investment Department – Participation by Infrastructure Corporation of Andhra Pradesh (INCAP) in the Exploration and Production (E&P) activities of Hindustan Oil Exploration Company (HOEC) for natural gas in the Pranahita-Godavari (PG) basin – Signing of MOU between Hindustan Oil Exploration Company Ltd., Vadodara and the Infrastructure Corporation of Andhra Pradesh (INCAP) – Permission – Accorded – Orders – Issued.

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**INFRASTRUCTURE & INVESTMENT(IID-2) DEPARTMENT**

G.O. Rt. No.141\_\_\_\_\_

Date:04-6-2008.

Read the following:

- 1) G.O.Rt. No. 68, dt. 17-3-2008 of I & I(IID-2) Dept.
- 2) Lr.Nos. INCAP/C/HOEC/155/2008, dt. 17.4. 08 & 19.4.08.

**ORDER:**

In the G.O. 1<sup>st</sup> read above, Government have accorded permission to Infrastructure Corporation of Andhra Pradesh (INCAP) to communicate in principle commitment to Hindustan Oil Exploration Company (HOEC) for participation in the successful wells of HOEC in the Pranahita-Godavari (P-G) basin on mutually acceptable terms, on behalf of the State Government. A Committee had also been constituted in the said G.O. with Spl. C.S. Energy/Representative, Prl. Secretary(R&E), Finance/Representative, Secretary, I&I and VC&MD, INCAP(Convenor) to decide the modalities of participation in the activities in the P-G basin with HOEC.

2. The Committee had discussed the contents of the draft MOU and agreed the signing of the MOU with HOEC subject to the following conditions:

- a) that the support of INCAP/Govt. of A.P. to the company in the Exploration and Production of Petroleum operations would be without any financial commitment.
- b) The Company has to meet all the expenditure on providing the requisite Police Protection and clearances during the course of the E&P operations.

- c) The validity of the proposed MOU will be in force subject to final outcome of the pending arbitration case filed by HOEC.

3. In his letters 2nd read above, the VC & MD, INCAP, has requested the Government that necessary permission may be accorded to enter into MOU with HOEC in the Exploration and Production activities in the P-G basin of the State.

4. In view of the position stated in paras 1&2 above and after careful examination, Government hereby accord permission to the Vice Chairman & Managing Director, Infrastructure Corporation of Andhra Pradesh to enter into MOU with Hindustan Oil Exploration Company Ltd., Vadodara in the Exploration and Production activities in the Pranhita-Godavari (P-G) basin of the State subject to the conditions mentioned in para 2 above. The VC & MD, INCAP shall incorporate the conditions as at para 2 above in the MOU. Further, the extent of location and areas falling under A.P. to the extent of 14,400 Sq. Kms. shall be indicated in the MOU as also the alterations indicated in the MOU shall be made. The draft MOU appended to this G.O. is accordingly approved by Government.

5. The VC & MD, INCAP shall take necessary action accordingly and furnish a copy of MOU after signing.

6. This order is issued with the concurrence of the Fin.(Expr.PW) Dept. vide their U.O. Note No. 13222-B/600/A2/Expr.PW/08, dt. 12.5.2008.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**DR. MANMOHAN SINGH,  
SECRETARY TO GOVERNMENT.**

To  
The Vice Chairman & Managing Director,  
Infrastructure Corporation of Andhra Pradesh  
Ltd., FDC Complex, 3<sup>rd</sup> floor, A.C. Guards, Hyd.

Copy to:

The Fin. (Expr.PW) Dept.  
The A.G., A.P., Hyd.  
The D.T.A., Hyderabad.  
The Collectors and S.Ps. concerned.